



The President's Daily Brief

3 December 1973



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

Efforts to resume the Egyptian-Israeli talks continued over the weekend, while UN sources report signs of possible Egyptian preparations for renewed attacks near Ismailia. (Page 1)

King Husayn's conciliatory speech over the weekend has brightened prospects for Jordan's participation in a Middle East peace conference. (Page 3)

Moscow is showing heightened concern over the Middle East situation, but apparently expects the cease-fire to hold. (Page 4)

Signs of strain in Franco-Soviet relations are increasing. Paris dislikes the extent of recent US-USSR consultation, and Moscow is apprehensive over military implications of France's EC policy. (Page 5)

South Korean President Pak today fired his controversial intelligence chief and also named new foreign and defense ministers. (Page 6)

North Korea has laid claim to waters surrounding islands off its west coast on both sides of the Northern Limit Line, and Seoul has placed its air and naval forces on "standby alert." (Page 7)

The current status and objectives of Romania's fence-straddling are discussed on Page 8.

Notes on the destruction of a POL depot near Saigon, Australia's shifting attitude on Cambodian recognition and on this week's meetings of EC finance and foreign ministers appear on Page 10.

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ARAB STATES - ISRAEL

UN observers reported unusually large movements of Egyptian troops and equipment toward the Suez front yesterday. UN observers in the Ismailia area saw what they estimated to be several tank battalions, along with several new missile sites and anti-aircraft units. In the past week the Egyptians were also reported to have built two ponton bridges across the Suez Canal about three miles north of Ismailia, as well as two bridges over the Sweetwater Canal west of the city. UN officers also noted "extremely heavy" military transport activity at the Cairo airport since Saturday

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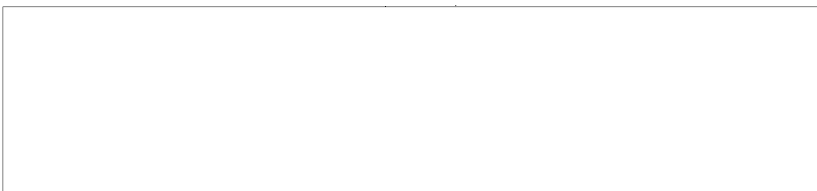
Attempts to contact the senior Egyptian liaison officer yesterday were thwarted when UN officials were told he was attending a large hastily convened meeting in Ismailia.

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UNEF Commander Siilasvuo met late yesterday in Cairo with War Minister Ismail after conferring earlier in the day in Jerusalem with Defense Minister Dayan to explore ways to reopen the desengagement talks. After his meeting with Siilasvuo, Dayan stated that Israel was willing to resume the talks whenever Egypt is ready, and noted that Israel's negotiator, General Yariv, would be prepared with "instructions from the government and able to submit them to the Egyptians." Ismail had told Siilasvuo on Friday that Egypt wished to continue substantive talks but wanted to hear Dayan's view before considering whether to resume negotiations.

Several cease-fire violations were reported along the Syrian and Egyptian fronts yesterday. In the most serious, Damascus claims to have destroyed an Israeli engineering unit, three tanks, a bulldozer, and an ammunition dump during a three to four-hour battle. The Israelis contend that the clash was sparked by the Syrians firing on a tractor, working in an area near the Israeli forward line. The Syrians reportedly employed small arms, artillery, and tank fire, as well as anti-tank missiles. An Israeli military spokesman said that two Israeli soldiers were wounded, but would neither confirm nor deny the Syrian claims.

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Abu Dhabi's Minister of Petroleum Otaiba, who also was at Algiers, nevertheless says that the summit participants agreed to resume some oil shipments to the US once a peace conference establishes a definite time-table for an Israeli withdrawal and the implementation of UN Resolution 242. In the meantime, according to Otaiba, they agreed to maintain the 25-percent reduction in oil exports but to abandon the December additional 5 percent production cut and all planned subsequent 5 percent monthly cuts.

Otaiba also briefed the US Chargé on a UAE delegation's visits to Cairo and Damascus before the summit. In Cairo, Sadat claimed that the Egyptian military was pressing him to resume hostilities. Sadat denied that he had any firm guarantee from Secretary Kissinger relating to an Israeli withdrawal to the lines of October 22, but insisted that he was promised the US would do what it could to effect an Israeli withdrawal and promote a peace settlement meeting most, if not all, of Egypt's essential requirements. According to Otaiba, the Egyptians claimed that the Soviets had failed to provide Egypt with enough aircraft and blamed them for "faulty" communications equipment that resulted in the loss of about 50 Egyptian aircraft to their Soviet-supplied SAMs. Otaiba also said that Cairo asked the UAE for a virtual blank check to replace war losses, asking for everything "from pajamas to missiles."

In Damascus, President Asad told the delegation that he was satisfied that the US was working hard for a lasting Middle East peace settlement, although he stressed that Syria was prepared for renewed fighting should the cease-fire break down. Despite the Soviets' replacement of much of the war losses, Asad said the Syrians were still short of planes, tanks, and anti-tank missiles.

* * *

Libya has closed its diplomatic office in Cairo and recalled its personnel. There has been no announcement that Egyptian diplomats have been asked to leave or are being withdrawn from Tripoli.

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In what may be an effort at mediation, Syrian President Asad, according to press reports, has dispatched a cabinet minister to Tripoli with a message to Qadhafi "dealing with safeguarding unity in Arab ranks."

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JORDAN

Prospects for Jordan's participation in a Middle East peace conference have brightened.

King Husayn's expectations of representing West Bank residents as part of Jordan received a blow when the Algiers summit designated the Palestine Liberation Organization (PLO) as the sole international bargaining agent for Palestinian interests. Husayn had threatened to boycott the peace conference if this were done.

Husayn's speech to Jordan's National Assembly on Saturday modified this stance. The King:

--reiterated his willingness to allow self-determination by West Bank residents. He proposed a UN-administered referendum and pledged that whatever the outcome--a unified Jordan, a confederation, or separate states--"we shall be their noble brothers."

--withheld his decision on attending a Geneva peace conference pending clarification from "brotherly Arab quarters" of his own responsibilities for the restoration of Palestinian lands and rights. He would not "compete with anybody" if Jordan were excluded from representing Palestinian interests.

--emphasized his standing requirement that any settlement be a comprehensive one, and include Israeli withdrawal from all occupied Arab territories; he ruled out "withdrawal from any part," such as Sinai, "at the expense of any other part," such as the West Bank of the Jordan.

Husayn's statements can be read as an appeal to Sadat for reassurance that no separate deals will be made at Jordan's expense and for some solution of the Palestinian representation issue that would permit Jordan's acceptance of a peace conference seat.

The US Embassy in Amman believes Husayn will do his utmost to strike a direct bargain with the PLO that will allow him to go to Geneva. A prominent West Bank politician assured an embassy officer shortly after Husayn's speech that talks with the PLO were already under way and were likely to succeed.

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USSR - MIDDLE EAST

Moscow is displaying heightened concern over the Middle East situation, but appears to expect the current cease-fire to hold. Last Friday, Pravda launched its toughest attack on Israel in several weeks, accusing Tel Aviv of trying to pursue its pre-October course and of placing every possible obstacle in the way of a political settlement. The following day, Moscow radio warned that Israeli activity had sharply increased tensions and gave its tacit approval to Cairo's decision to break off the talks at Kilometer 101.

A Soviet official in Cairo, however, has expressed no special concern over the breakdown of the talks and has acknowledged that Soviet dependents are returning to Egypt.

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What is especially nettlesome to the USSR at this juncture is the budding US-Egyptian relationship. Soviet officials in Cairo have questioned both US visitors and the Egyptian Foreign Ministry about this. Egyptian Foreign Minister Fahmy has told the US the Soviets have made no secret of their displeasure, but affirms that both he and Sadat want closer relations with the US.

At the same time, the Egyptians continue to demonstrate overt gratitude and affection for the USSR. In Friday's al-Ahram, editor Haykal termed the Soviet-Egyptian relationship "vital and irreplaceable for Arab peace" and said that relations with the US should not be permitted to diminish the Soviet role.

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USSR-FRANCE

Signs of strain in Franco-Soviet relations are increasing as each country reassesses the value of their "special relationship."

Moscow's failure to consult with Paris during the October war apparently touched off the latest discord. More fundamental is France's publicly expressed concern over an alleged US-Soviet "condominium" and Moscow's dislike for Paris' moves to enhance EC unity and upgrade West European political and defense cooperation.

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Brezhnev met with French Communist chief Marchais for two days in mid-November, and Marchais has since been exceptionally active in attacking government policy. He even published a letter with a rare denunciation of President Pompidou by name, accusing him of moving toward "a sub-bloc dependent on the Atlantic bloc." French officials have indicated that they regard the Marchais letter as a strong Soviet warning. They note that Soviet diplomats in Paris have recently been making representations along the same line.

Nevertheless, a fourth Brezhnev-Pompidou meeting is likely early next year in the USSR, probably in February rather than January as earlier indicated. This week, Soviet Foreign Trade Minister Patolichev goes to Paris for commercial talks during which contracts for French construction of ammonia plants in the USSR may be signed. French Armed Forces Minister Galley is expected to visit the USSR shortly; Paris has been at pains to describe the visit as merely a reciprocal gesture for Grechko's trip to France last year and undertaken only after Galley had visited Western capitals.

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SOUTH KOREA

The ouster of Korean CIA chief Yi Hu-rak in a cabinet reshuffle announced today is the government's most serious effort to defuse unrest among students and intellectuals. The CIA chief had been the target of intense criticism for his agency's role in the kidnaping of opposition leader Kim Tae-chung in Tokyo last August, for its pervasive surveillance on university campuses, and for its involvement in the recent "suicide" death of a professor while under interrogation. Yi's successor, Justice Minister Sin Chik-su, is a close associate of President Pak and a former vice director of the Agency, and is likely to be considerably less controversial.

Yi also resigned as chief of Seoul's delegation to the South-North Coordinating Committee. Pyongyang had been demanding his removal since August, and his departure lifts a major impediment to a resumption of the North-South dialogue. Yi's loss of his CIA job and the other cabinet changes do not seem to be an outgrowth of North-South relations, however.

The handling of Yi's removal will go a long way toward easing the domestic situation. The government admitted, for example, that it had accepted his resignation and those of six other cabinet officers so they could "assume responsibility" for "unfortunate" recent incidents at home and abroad. Anticipating that students would demand further concessions, the government delayed its announcement until all the nation's schools had closed for the three-month winter vacation.

Yi's ouster also changes the political balance among Pak's chief lieutenants, since Prime Minister Kim Chong-pil--Yi's principal rival--retains his position. Yi, as a personal friend, is nonetheless likely to retain considerable influence with the President.

Among the other shifts, Foreign Minister Kim Yong-shik has been demoted to the Ministry of National Unification and replaced by the current ambassador to the US, Kim Tong-cho, who has been a persistent target of the Korean CIA. The new Defense Minister is Chief of Staff So Yong-chol, an experienced officer with close ties to the President.

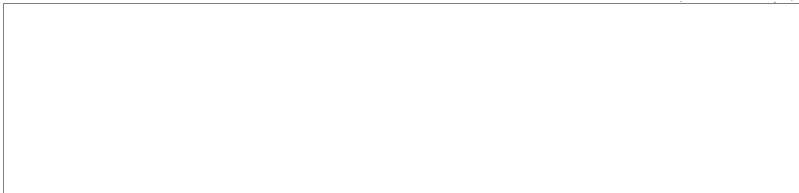
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KOREA

Pyongyang claimed on December 1 the territorial waters surrounding islands off the west coast that lie on both sides of the Northern Limit Line--the unofficial seaward extension of the Demilitarized Zone. North Korean officials made clear at a meeting of the Military Armistice Commission that they undertook naval activity south of the limit line recently in order to establish a basis for the claim. Pyongyang appears intent on raising the question of the future status of the islands as well as securing unimpeded passage into Haeju, a port it has been building into a major maritime base.

Seoul has responded to Pyongyang's claim by placing its air and naval forces on "standby alert," but has taken no other measures. In the past, it has maintained its own claim to the islands with routine patrols on its side of the line.



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ROMANIA

President Ceausescu arrives in Washington at a time when his country is uncomfortably prominent in international affairs. Bucharest's initiatives during the Mideast war were designed to gain for itself and other small powers at least some role in any settlement and to display independence. But they also brought pressures from the Kremlin to take a more pro-Arab stance.

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While in the US, he will seek

--reassurances that US-Soviet cooperation will not undercut Romanian independence, and

--expanded economic ties that will further reduce his dependence on Moscow and give the West a greater stake in Romania's future.

Although his country is a member of the Warsaw Pact and CEMA, Ceausescu has carefully built, and expanded, a form of independence that is unique in the Soviet alliance system.

--He has consistently refused to permit Warsaw Pact forces to maneuver on Romanian territory;

--He maintains a stubborn neutrality in the Sino-Soviet dispute;

--His representatives persistently lobby in the name of small and medium sized powers, and against superpower domination, at MBFR, CSCE and in the UN.

--His is the only Warsaw Pact country that maintains relations with Israel as well as with the Arab states.

That Ceausescu has been able to get away with such defiance of Moscow is primarily due to his ability to sense the limits of Soviet tolerance. On those rare occasions when he has miscalculated, he has been quick to restore the balance. His fear is that Moscow will slap him down and then keep him on a short tether.

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Ceausescu has not yet made major concessions to atone for siding against the Soviets during the October war, and he may feel that none are necessary. Romania did succumb to Soviet pressure to withdraw its offer of troops to the UNEF, and he may believe that this was enough. The Soviets, for their part, may feel that no further pressure is needed. Romanian initiatives were irritating, but they were ineffective.

The Mideast experience has nevertheless left Ceausescu [redacted] perhaps suffering from a sense of isolation. He particularly resents that Tito, his fellow maverick, committed Yugoslavia so heavily to the Arab, and thus to the Soviet, side. Also, Tito's recent talks with Brezhnev in Kiev have caused him to worry that he can no longer look to Belgrade for support in time of trouble with Moscow. [redacted] Ceausescu hopes his visit to Washington will serve as a counterweight to growing Soviet influence in Yugoslavia.

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NOTES

South Vietnam: Communist rocket fire destroyed the Shell petroleum depot southeast of Saigon early this morning Saigon time. Most of the 600,000 barrels of POL stored there were destined for civilian use, but some was diesel fuel stored there for the South Vietnamese armed forces and aviation fuel earmarked for Cambodia. [redacted]

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[redacted] about half the country's POL handling capacity has been destroyed, and that the tank farm will be out of operation for at least a year.

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Australia-Cambodia: Canberra may be considering recognition of the Sihanouk "government." Ambassador Green believes Prime Minister Whitlam will take this step if the Sihanouk "government" is accredited at the current session of the UN General Assembly. In recent months, Australia has had increasing doubts about the durability of the Lon Nol regime. Whitlam apparently also believes that the US, in letting Southeast Asian countries and Japan take the lead in defending the Lon Nol government at the UN, has signaled its own decreasing support for Phnom Penh.

European Communities: EC finance ministers are likely to approve a relatively mild anti-inflation proposal at meetings today and tomorrow if differences over energy policy can be overcome. They will probably also agree--largely out of concern over the possibility of recession--to expand consultation on economic policy. A separate foreign ministers' council probably will move toward approval of a Regional Development Fund. The French are no longer insisting that establishment of a Fund be postponed until the UK and Italy join the EC currency float. The energy crisis will overshadow the meetings; the Dutch, in particular, continue to demand that oil supplies be shared and could block other progress if they are not satisfied.

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